

SURREY COUNTY COUNCIL**CABINET****DATE: 31 JANUARY 2017****REPORT OF: MR MEL FEW, CABINET MEMBER FOR ADULT SOCIAL CARE, WELLBEING AND INDEPENDENCE****LEAD OFFICER: HELEN ATKINSON, STRATEGIC DIRECTOR ADULT SOCIAL CARE AND PUBLIC HEALTH****SUBJECT: APPROVAL TO AWARD CONTRACTS FOR THE PROVISION OF MENTAL HEALTH SERVICES IN SURREY – COMMUNITY CONNECTIONS****SUMMARY OF ISSUE:**

This report seeks approval from Cabinet to award five contracts for the provision of Community Connections Services in Surrey to commence on 1 April 2017 as the current arrangements end on 31 March 2017.

These contracts will enable Surrey County Council to fulfil its statutory duties under the Care Act 2014 to prevent, reduce and delay the care and support needs of those with mental health needs. The Care Act gave Surrey County Council new duties to promote wellbeing. Adult Social Care and the Clinical Commissioning Groups (CCGs) in Surrey have worked together to maximise the opportunities to ensure the outcomes of people with mental health needs are met in the most cost effective way. By recommending the contract awards for the provision of these co-produced, evidence based and robustly evaluated mental health services, the County Council will effectively demonstrate its support for parity of esteem for mental health and improve the mental wellbeing of Surrey citizens.

Mental health services are significantly underfunded compared with physical health services. By commissioning these services, we will ultimately decrease the demand on and cost of the more complex mental health services. This is described in more detail from paragraph 15 and 16 of this report.

- Surrey Community Connections services are open access services, delivered by the voluntary sector, to support people (aged 16 and over) with mental health needs to stay well in their communities. Surrey County Council provides leadership for these jointly commissioned services, working with all the Clinical Commissioning Groups in Surrey. The services promote social inclusion, community participation, mental well-being and recovery by connecting people to 'mainstream' activities in their community by offering a variety of group activity and one to one support. At the end of 2015/16, Community Connections services were supporting over 4,500 people in Surrey. The contribution from adult social care was £680,669 for that financial year.

The outcomes delivered by Community Connections services include:

- Enabling an individual's recovery

- Helping people develop and maintain a support network
- Giving people personalised support to fit their needs.

This report provides details of the procurement process, including the results of the tender evaluation, engagement and consultation. Parts 1 and 2 of this report demonstrate why the recommended contract awards deliver best value for money and contribute to the strategic goals of Wellbeing and Resident Experience.

Due to the commercial sensitivity involved in the contract award process, the detailed evaluation report and financial details of successful providers have been circulated as a Part 2 report.

RECOMMENDATIONS:

It is recommended that:

1. the background information set out in this report be noted and
2. Cabinet approves the award of five localised contracts for three years from 1 April 2017, with an option to extend for two periods of one year each for Community Connections services in Surrey.

Details of the awards and the contract values are in the Part 2 report.

REASON FOR RECOMMENDATIONS:

The current agreements will expire on 31 March 2017. A full tender process, in compliance with the requirements of Public Contract Regulations and Procurement Standing Orders, has been completed and the recommendations provide best value for money for the Council following a thorough evaluation process.

Community Connections services will be delivered in Surrey from local bases. The recommended providers have committed to be proactive in providing apprenticeships and volunteering opportunities to Surrey residents whilst delivering efficiencies for the Council.

DETAILS:

Background

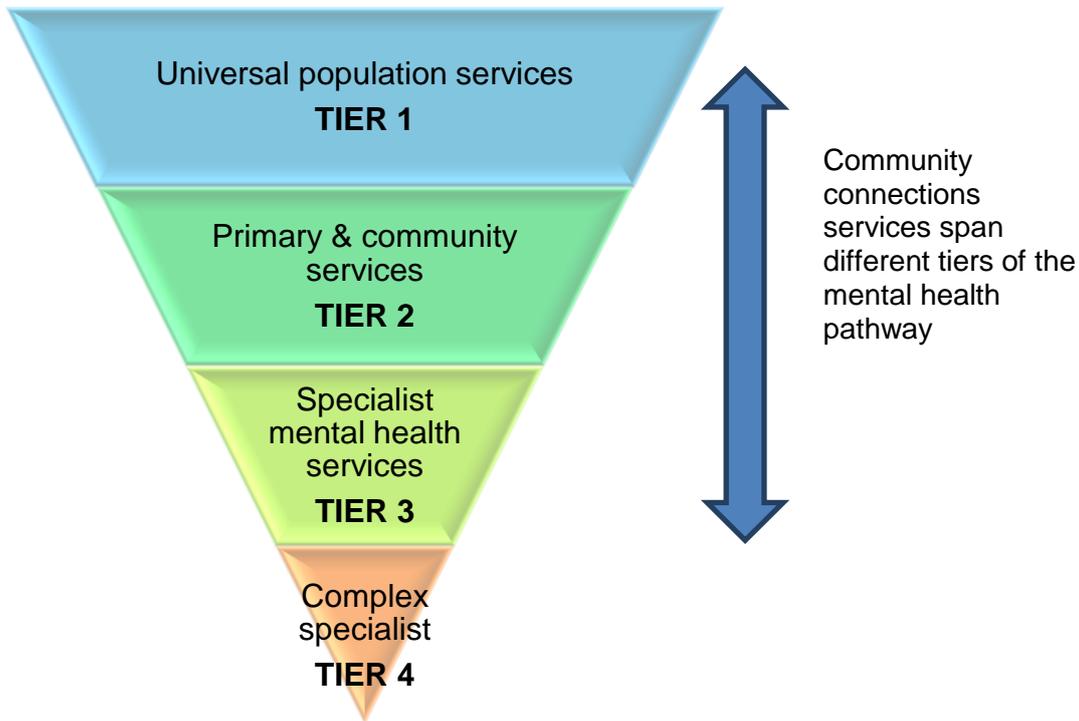
1. Mental health is everyone's business: we all have mental health, just as we have physical health that can fluctuate at different points in our lives. Lifestyle factors, the communities in which we live, the local economy and the environment all impact on an individual's mental health.
2. 1 in 4 people in the UK will experience a mental health problem each year. These people often do not seek help due to the stigma that still surrounds mental illness hence the importance of open access, local support.
3. The World Health Organisation states that mental health problems can account for a greater impact on the individual than cardiovascular disease or cancer and have wide-reaching effects on people's education, employment, physical health, and relationships.

National and local imperatives

4. The Care Act (2014) consolidates and modernises the framework of care and support law; it sets out new duties for local authorities and partners, and new rights for service users and carers. It places new duties on local authorities to prevent, reduce and delay care and support needs. There is an emphasis on the wellbeing principle that underpins the Act and duties around integration and collaboration with other public sector organisations.
5. Community Connections services are jointly commissioned with Surrey's Clinical Commissioning Groups and the County Council leads this programme of work. This integrated approach is embedded in the commissioning of mental health services locally.
6. With Adult Social Care, Clinical Commissioning Groups and Local Joint Commissioning Groups working collaboratively on these contracts, there is assurance that there is no duplication of work, that value for money is attained across the whole system and people with mental health needs can achieve the best possible outcomes.
7. The recently published All-Party Parliamentary group on social work report into adult mental health services found that funding for mental health services remains inadequate and is not at parity with physical health spending. The report also found that reductions in social care budgets are having a profoundly negative impact across adult mental health and partner services. Continuing to commission Community Connections services helps meet the recommendations for early intervention, working towards parity of esteem and integrating support across the system.
8. The Integrated Commissioning Strategy for Emotional Wellbeing and Mental Health identifies priority areas in Surrey including: early intervention, working as a whole system, crisis care, enabling recovery and working in partnership with service users and carers. The Community Connections services have an integral role in the mental health pathway which helps contribute to the delivery of these priorities.
9. The Council's Joint Strategic Needs Assessment and evaluation of Community Connections Services in Surrey have identified a need to provide community based support for people with mental health needs to enable recovery and help to stay well.

What community connections services deliver

10. The role that Community Connections services play in the mental health pathway is crucial, illustrated in the diagram overleaf.



11. Community Connections services bridge the gap between primary and secondary care mental health (tiers 2 and 3). They also act as a community based support network for individuals throughout their recovery journey, promoting independence, avoidance and management of crisis and a reduction in dependence on secondary and primary care services.
12. At the end of 2015/16, Community Connections services were supporting over 4,500 people at that point in time. Throughout the year there was a flow of new referrals and closures, illustrating that services were reaching new people with mental health needs, as well as enabling people to achieve a positive outcome from the service they had received and move on. Service users fed back that they don't feel so lonely and isolated when they use the service and that Community Connections gave them new skills and confidence.
13. When Community Connections services delivered during 2014/15 were evaluated, it was clear that both flexibility and ability to design services to meet local needs and outcomes were significantly beneficial to service users. Therefore, the service specification reflects this and services are based around the outcomes they are expected to deliver. Key components of a successful Community Connections service are:
 - Listening to and involving people in the design and development of services.
 - Partnership working and local connections/networks with other voluntary and statutory providers.
 - Helping people to make and maintain support networks.
 - Giving people a reason to get out and about.
 - Supporting self-help and recovery.

- Providing a range of courses, groups and activities.
 - Having high quality staff and volunteers.
 - Providing a personalised approach and enabling people to be active in their own recovery.
14. Community Connections services are also key partners in the delivery of the pilots of local safe havens, nationally recognised out of hours support for people experiencing a mental health crisis. This aspect of work is included in the service specification as a potential future development, if the safe havens are evaluated as delivering the anticipated positive outcomes.
 15. Community Connections services have a robust local evidence base which demonstrates that they provide excellent outcomes for individuals, are value for money and prevent escalation of needs. These services enable significant savings through whole system cost avoidance: supporting people with mental health needs to reduce reliance on statutory mental health services; maintaining their recovery journey and crisis prevention. Service users often comment that it's the social interaction gained by accessing a Community Connections service that keeps them well.
 16. An example of potential cost avoidance for Community Connections can be demonstrated as follows:

Under the current contracts the average cost to support an individual was £118.06 for a year. By supporting individuals to become less reliant on statutory mental health services savings will be delivered through avoiding use of services such as:

- Acute psychiatric in-patient admission which typically costs £11,300; or
- A year's worth of Community Mental Health Recovery Service support which costs around £4,536 per year (which is a cost to the Council and the CCGs).

The recommended contracts will be more efficient: the average cost per person under the new contracts is anticipated to be £71.00 per person.

Other cost avoidance for the County Council would be reducing the need for individuals to require supported living or other outreach services delivered and/or commissioned by the County Council.

Procurement strategy and options

17. The existing agreements for the provision of Community Connections services will expire on 31 March 2017. The incumbent providers are Catalyst Support Ltd, Richmond Fellowship, Mary Frances Trust, WWAG and CornerHouse.
18. A single stage 'open' tender procedure, compliant with the European Public Procurement Regulations and Procurement Standing Orders, has been carried out including advertising the contract opportunity in the Official Journal of the European Union (OJEU) on 25 July 2016.

19. Before going out to tender several commissioning options were reviewed by the multi-agency project steering group. The new service specification was informed by the evaluation of current Community Connections services and a concept day which were attended by a number of different agencies, service users and carers alongside CCG commissioners.
20. In the tender in order to deliver a community based service the requirement was split into five lots, one for each CCG area (Surrey Heath and Farnham was one lot).
21. A joint project team was set up to manage the process which included representatives from Adult Social Care, Public Health, Procurement, Clinical Commissioning Groups and the Surrey Coalition of Disabled People.

Use of e-Tendering and market management activities

22. An electronic tendering platform was used enabling the tender process to be as accessible as possible.
23. A provider engagement event was held on 25 July to stimulate interest, raise awareness of the services and explain the tendering process to be used.

Key Implications

24. By awarding a contract to the providers recommended for the provision of Community Connections services to commence on 1 April 2017, the Council will be meeting its statutory duties under the Care Act 2014 to prevent, reduce and delay the care and support needs for those with mental and emotional health issues.
25. The management responsibility for these contracts lies with the senior commissioning manager for mental health in Adult Social Care. The five contracts will be managed in line with the Contract Management Strategy and plan as laid out in the contract documentation.
26. Performance will be monitored through a series of Key Performance Indicators as detailed in the contracts and reviewed at quarterly monitoring meetings.
27. Social Value requirements were included in the tendering process. Bidders were asked in their tender submissions to provide details of how they would implement and deliver the commitments made in their Employment and Skills Plan (ESP), including opportunities that would be offered within the local area and over the term of the contract via work experience placements, apprenticeships and work with priority groups including employment of those currently Not in Education, Employment and Training (NEET).
28. The providers recommended for contract award have given contractual commitments which include:
 - Identifying service user and carer goals and aspirations to provide access to a broad range of opportunities to contribute to the economic, social and environmental wellbeing of Surrey
 - Developing the workforce from within by providing opportunities such as: placements, volunteering, mentoring, and peer work as a stepping stone to future qualifications and employment as well as enhancing wellbeing

- Working with local businesses to ‘sponsor’ activities, fundraise, or provide resources, (human and equipment) as part of a community development approach
- Providing Social Value by using local services, goods, facilities, and businesses within the Boroughs and Districts.

Competitive Tendering Process

29. A competitive tendering process was carried out. It was decided that the open tender procedure was appropriate in order to attract more providers to bid for the service. Providers were given 46 days to complete and submit their tender.
30. Tender submissions were evaluated against initial pass/fail criteria including Good Business Standing, Insurance Requirements and Financial Information, which all providers passed. Responses were then evaluated against the quality criteria and their weightings as shown below.

Award Criteria	Weighting
Quality	80%
<i>More people have better mental health</i>	20%
<i>More people will recover</i>	30%
<i>People will have a positive experience of care and support</i>	30%
Value for Money	15%
Social Value	5%
Total	100%

31. Further information regarding tender evaluation and scoring is included in the Part 2 report.

CONSULTATION:

32. A number of stakeholders have been involved throughout the commissioning and procurement process. A multi-agency group was formed to steer the work which included representation from Adult Social Care, Public Health, the CCGs and Surrey Coalition of Disabled People. A concept day was held on 7 June 2016 for Community Connections which was attended by a wide range of stakeholders. A market engagement event was held and the Independent Mental Health Group (Surrey’s service user and carer network) was represented throughout. The evaluation panels included commissioners from health and social care, senior social workers, service users and carers as well as procurement.

RISK MANAGEMENT AND IMPLICATIONS:

33. The following key risks associated with the contract and contract award have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	Services do not deliver quality outcomes expected to demonstrate increased value for money	The recommended bidders committed to increased levels of activity in their tender responses. Key Performance Indicators will be in place and monitored in quarterly review meetings. Finance have been engaged from the outset.
	Potential risk that during the contract life the providers will request an increase against the annual service delivery cost.	The annual cost of the contract is fixed for the duration of the contract.
	The budget for Community Connections could change over the contract period	We have included a standard break clause in the terms and conditions if the budget is removed or reduced. The 'Termination Clause' will allow the Council to terminate the contract with six months' notice should priorities change.
Reputational	New services do not establish in time for commencement date.	SCC will work with the successful providers to support them throughout the mobilisation process.
	Data Protection or Safeguarding breach	The 'Termination Clause' will allow the Council to terminate the contract immediately in the event of a safeguarding or data protection breach.
Service Delivery	Quality of service delivered does not meet objectives and needs.	Strong contract management and quarterly contract review meetings.
	The successful providers go into administration and/or cease to exist therefore unable to deliver services.	All bidders successfully completed satisfactory financial checks. The contract includes an Exit Plan for commissioners to follow and ensure smooth transition to a new arrangement.

Financial and Value for Money Implications

34. Full details of the contract values and financial implications are set out in the Part 2 report.
35. The procurement activity has delivered within budget. Within the contracts it is clear that no overspend can occur and this will be included in performance monitoring meetings.

36. Community Connections contracts will be managed to ensure providers continue to deliver more value through increased numbers of referrals and improved outcomes which play an integral part of the mental health pathway. During 2015/16 over 4,500 people were referred to the Community Connections service and recommended bidders have agreed that this will continue to increase over the new contract period: detail of this is included in the Part 2 report. This trajectory is evidenced through the previous contract performance and will be monitored as part of performance monitoring going forward. Further detail of the cost avoidance Community Connections services deliver is included in paragraph 16 of this report.
37. The new contracts include specific Key Performance Indicators (KPI) reporting requirements to demonstrate increased numbers of referrals and improved outcomes.
38. Bidders were asked to detail any expected efficiencies, savings or financial benefits that could be realised if they were successful in being awarded more than one lot, to be agreed post award. One of the bidders has been successful in more than one lot and has agreed that further savings can be achieved through efficiencies.
39. Many of the savings derived from this service will benefit the health system rather than directly impacting on council expenditure. It is therefore appropriate that 28% of the Community Connections service will continue to be funded directly by Surrey's Clinical Commissioning Groups and a further 33% from Surrey's Better Care Fund. Further details about funding arrangements are outlined in Part 2 of the report.

Section 151 Officer Commentary

40. The County Council is facing a very serious financial situation, whereby it is forecasting a significant revenue budget overspending this year, and does not have a balanced nor sustainable budget plan for future years. Although this planned expenditure has been included within the current Medium Term Financial Plan, agreeing to this recommendation will reduce the council's options to balance the budget in the future.
41. It is noted though that the award of these contracts is within the current budget envelope and allows for increased volume of services with associated cost avoidance savings. The services are also important aspect of collaborative joint working arrangements across Surrey's health and social care system, and the award of these contracts within existing resources will enable these arrangements to continue.

Legal Implications – Monitoring Officer

42. Following approval for route to market at the SGM (Sourcing Governance Meeting), a full competitive tendering process has been undertaken by the Council using the open procedure in accordance with the Public Contracts Regulations 2015 and the Council's Procurement Standing Orders. Legal Services have advised on and prepared bespoke contracts for the Services in conjunction with the CCGs.

Equalities and Diversity

43. An equalities impact assessment has been written and is available as Annex 1 to this report. The contracts will be managed and monitored in line with Surrey's obligations under the equalities monitoring framework.

Safeguarding responsibilities for vulnerable children and adults implications

44. The terms and conditions of the contract stipulate that the provider will comply with the Council's Safeguarding Adults and Children's Multi-Agency procedures, any legislative requirements, guidelines and good practice as recommended by the Council. This will be monitored and measured through the contractual arrangements.
45. The service will operate a client centred approach, working collaboratively with other Health and Social Care Services.

Public Health implications

46. Community Connections services link in with Public Health to provide tiered support for individuals with a focus on the priority areas in Surrey identified in the Integrated Commissioning Strategy for emotional wellbeing and mental health, including: early intervention, working as a whole system, crisis care, enabling recovery and working in partnership with service users and carers. The Community Connections services are an integral part of the mental health pathway which helps achieve these priority areas.

WHAT HAPPENS NEXT:

47. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including 'call in' period)	6 February 2017
'Alcatel' Standstill Period	6 – 16 February 2017
Contract Signature	1 March 2017
Contract Commencement Date	1 April 2017

48. The Council has an obligation to allow unsuccessful providers the opportunity to challenge the proposed contract award. This period is referred to as the 'Alcatel' standstill period.
49. The Council will work closely with the successful providers to ensure a smooth transition from current provisions of the services.
50. The new providers will be required to work with the current providers with regards to the transfer of staff under the Transfer of Undertakings (Protection of Employment) Regulations 2006 to ensure the continuity of staff for current service users and the successful transfer of the services.

Contact Officer:

For queries relating to Community Connections the contact officers are:
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Consulted:

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Anna Price, Principal Accountant
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Naz Fox, Legal Services
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Annexes:

Annex 1 - Equality Impact Assessment
Part 2 Report – Commercial details and agreement award.

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